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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/703,562	11/01/2000	William C O'Neil, Jr.	TFFUND-04809	3102

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EXAMINER

CHAMPAGNE, DONALD

ART UNIT PAPER NUMBER

3622

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	01/19/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary

Application No.

09/703,562

Applicant(s)

O'NEIL, JR. ET AL.

Examiner

Donald L. Champagne

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 10 January 2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1,4-9,11-16,24-27 and 29-34 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1,4-9,11-16,24-27 and 29-34 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 01 November 2000 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

Response to Arguments

1. Applicant filed a declaration on 10 January 2005 that was found to overcome the last rejection (mailed on 8 October 2004). Furthermore, arguments also filed on 10 January 2005 pointed out flaws in the last rejection's logic. In particular, the rebate network manager is taught as *cash register 110* and *bank 130, 131*. In the last rejection, *clearinghouse 30* was erroneously cited in place of *bank 130, 131*.
2. For the sake of clarifying the record, a corrected non-final rejection follows. The arguments that remain pertinent are addressed at para. 10-12 below.
3. The corrected rejection is followed by a discussion of the declaration and a withdrawal of the corrected rejection. Finally, a new basis of rejection is given at the end of this Office action.

Claim Rejections - 35 USC § 102

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claim Rejections - 35 USC § 103

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 1, 4-9, 11-16, 24-27 and 29-34 are rejected under 35 U.S.C. 103(a) as obvious over Lidman (US005471669A) in view of Schultz et al. (US pat. 5,056,019).
7. Lidman teaches (independent claims 1, 24 and 33) a method and a system, the method comprising: providing a *purchaser* with an *account 50*, which reads on a registered member,

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at least one higher education account, and a network of merchants (*stores 20*, col. 4 line 35), which reads on a network of registered merchants (para. 5 below), offering discount *coupons*, which reads on a rebate (col. 2 lines 41-43 and col. 4 line 24), and a rebate network manager (*cash register 110* and *bank 130, 131*, col. 1 lines 42-46 and col. 2 line 66 to col. 3 line 15); calculating (col. 3 lines 5-6) said coupon rebate on purchases made by said registered member from said registered merchant, wherein said rebate network manager/*cash register 110* reads the *purchaser/registered member* account information in conjunction with reading the purchases (col. 2 lines 52-54), which reads on monitoring sales by said registered merchant/*store 20* to determine if said sales are to said *purchaser/registered member*, and wherein said calculating step is performed by said rebate network manager/*cash register 110* utilizing a computer processor (col. 2 line 51) configured to calculate said rebate; and crediting said at least one higher education account with said rebate (col. 1 lines 26-31 and 42-46). For claim 24, Lidman teaches college and educational savings accounts (col. 1 lines 26-31 and 55-56), which reads on member higher education accounts.

8. The merchant/*store 20* participates in the method by permitting use of its *store coupons and store increases of manufacturer's coupons* and permitting transfers from the *store's account 132* to the registered member/*purchaser's account 50* at *bank 130* (col. 3 lines 4-13). By virtue of having an account with said *bank 130*, said merchant/*store* must be enrolled in the records of *bank 130*, which makes it a merchant/*store* registered with *bank 130* (Merriam-Webster's Online Dictionary definition of "register").
9. Libman does not teach that said computer processor is located at location other than the location of the merchant. Schultz et al. teaches that said computer processor (*PMCS 4*, col. 5 lines 44-56) is located at location other than the location of the merchant. Because Schultz et al. teaches that this allows the invention to service multiple *retail outlets 20 of different retail chains*, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to add the teachings of Schultz et al. to those of Libman.
10. Applicant argues (p. 9 top) that Schultz et al. does not teach incentives offered by merchants. First, that is not correct. The reference uses "manufacturer" to mean the supplier of a brand, so a merchant's house brands would qualify. Second, the argument is irrelevant. The rejection does not say that Schultz et al. teaches incentives offered by

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merchants. Lidman teaches incentives offered by merchants, and there is nothing in Schultz et al. that would preclude said merchant-offered incentives.

11. Applicant argues (p. 9 middle) that the rejection fails to consider “the invention as a whole”.

The rejection considers the claimed invention. The cited combination of references would provide precisely the benefits cited by applicant (the advantages of centralizing the function of the rebate network manager). As to the lack of motivation (pp. 9-10), the motivation for combining the references is given plain and simply in para. 9 above.

12. Applicant argues (p. 10) that the references cannot be properly combined because Lidman is a coupon-based system. That fact is correct, but the conclusion does not follow. Schultz et al. teaches *reward offers*, which subsumes coupons among other forms of incentives. There is nothing in Lidman that precludes the combined reference invention being applied to any form of “rebate on purchases”.

13. Lidman also teaches at the citations given above claims 4-5, 7-8, 11, 15 and 30. Lidman also teaches at the citations given above claims 16 and 29, where the *bank 130* that is the custodian of *customer account 50* and *store account 132* reads on a registration organization, which inherently must be paid (receives a portion of said rebate).

14. Lidman also teaches: a college fund savings account (claims 6, 25 and 34, at col. 1 line 26-31 and 55); claims 12 and 27 (col. 3 line 38); and claims 14 and 32 (col. 2 line 43, which teaches a *cash register 110*, which reads on an on-site merchant).

15. Lidman does not teach that (claims 9 and 26) the rebate is from 1% to 30% of the price of said purchases or (claims 13 and 31) purchases made on-line. Official notice of this common knowledge or well known in the art statement was taken in the Office action mailed on 15 December 2003 (para. 17 of paper No. 6). This statement is taken to be admitted prior art because applicant either failed to traverse the examiner’s assertion of official notice or that the traverse was inadequate. (MPEP 2144.03.C.)

16. Lidman does not teach (claim 21) an educational IRA or (claim 23) a college charitable contribution account. Because these accounts support education, and would therefore attract business to participating merchants, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to add these kinds of accounts to the teachings of Lidman.

Discussion of Declaration

17. Declarations submitted by applicant and other objective evidence overcome the *prima facie* case of obviousness made above in para. 6-16 on the basis of Lidman in view of Schultz et al. The objective evidence is as follows.
18. Problem to be solved and its duration: The problem to be solved is funding a college education through purchase rebates. The problem can be dated from publication of Lidman's solution in 1995.¹ Lidman proposes a system coordinated by cash registers and bank computers. Such a system without central coordination (*a computer processor located at location other than the location of the merchant*) has severe disadvantages as the number of participants becomes large and dispersed.
19. The rejection (para. 9) offers Schultz et al. as a logical means for providing central coordination. Applicant has submitted declarations from merchants that point out two reasons (p. 12) why one of ordinary skill in the art would not be inclined to combine Schultz et al. with Lidman: first, Lidman teaches a coupon-based system that the merchants find to be a nuisance, unlike a direct-rebate system which "operates in the background so that my retail sales employees do not have to accept and process coupons presented by customers". Second, Schultz et al. teaches rebates sponsored by manufacturers rather than merchants. Merchants do not like this because the manufacturers are not always quick to honor the incentives and the manufacturer incentives are intended to serve the manufacturers' ends, not those of the merchants. Manufacturers impose limitations as to qualifying products, quantities and duration that are a burden on merchants.
20. The most telling evidence that the instant invention satisfies a long-felt need and has the potential to be commercially successful is that it has three, apparently viable, competitors, all of whom first launched substantive websites over a brief period in 2000-2001.² The three competitors are Upromise, BabyMint and EdExpress (Mulrean, which has hyperlinks to the

¹ Caudron (1993) is the closest non-patent prior art. It teaches rebates (credits) provided by vendors for college tuition. Caudron neither teaches nor suggests a computer processor located at location other than the location of the merchant.

² The oldest substantive reference to any of the three competitors is Bulkeley, a *Wall Street Journal* article published on 12 July 2000. The instant invention has priority to 2 June 2000. Using the archives at www.waybackmachine.org, the four websites first present a substantive description of their inventions on 4 September 2000 (TuitionFund), 19 October 2000 (EdExpress), 5 December 2000 (Upromise), and 1 March 2001 (BabyMint).

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three websites). The instant invention has been implemented at www.TuitionFund.com. All four have similar offerings, including an impressive array of merchant participants.

21. Simpson (US006070153A) teaches some features of the instant invention, but does not teach or suggest monitoring sales by a registered merchant to determine if said sales are to a registered member.
22. The closest foreign patent prior art is AU 676819 B. It does not teach or suggest a higher education account.
23. Accordingly, the above rejection of claims 1, 4-9, 11-16, 24-27 and 29-34 under 35 U.S.C. 103(a) as obvious over Lidman (US005471669A) in view of Schultz et al. (US pat. 5,056,019) is hereby withdrawn.
24. Claims 1, 4-9, 11, 12, 14-16, 24-27, 29, 30 and 32-34 are rejected under 35 U.S.C. 102(b) as anticipated by Fernandez-Holman (US005787404A).
25. Fernandez-Holman teaches (independent claims 1, 24 and 33) a method and a system, the method comprising:
 - a) providing: i) a registered member (*credit card holder*, col. 2 lines 27-29), ii) at least one long-term investment account (col. 2 lines 29-34 and col. 4 lines 47-49), iii) a network of registered merchants (*subscriber merchants*, col. 2 line 67) offering a rebate to said registered member (col. 3 lines 35-40), and iv) a *credit card issuer* (col. 2 line 28), which reads on a rebate network manager, wherein said network of *subscriber/registered* merchants are registered with said rebate network manager;
 - b) calculating (col. 2 line 62 to col. 3 line 4) said rebate on purchases made by said registered member from said at least one registered merchant, wherein said rebate network manager monitors sales by said *subscriber/registered* merchants to determine if said sales are to said *credit card holder/registered* member and wherein said calculating step is performed by said *credit card issuer/rebate* network manager utilizing a computer processor (col. 7 lines 30-35) configured to calculate said rebate, and wherein said computer processor is located at a location other than the location of the merchant (col. 3 lines 59-67 and Fig. 5, which teach that the *credit card issuer/rebate* network manager and therefore its computer is separate from the merchants); and

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c) crediting said at least one long-term investment account with said rebate (col. 3 lines 1-4).

26. No patentable weight was given to the limitation that the account is for "higher education" because this is a nonfunctional or ineffectively claimed purpose (MPEP § 2106.01 and 2112.01.II). Fernandez-Holman teaches that the account is for long-term investment, including for IRAs (col. 4 lines 47-49). Whether the account is spent to fund retirement or fund higher education is not material to patentability because the spending of the account is not claimed. The distinction is merely a matter of to whom the check is written, and the instant invention does not deal with check writing or other distribution of the account proceeds.
27. Even if the process of account distribution were claimed, the payee would be nonfunctional descriptive (printed) matter, which does not impart patentability (MPEP § 2112.01.III). Furthermore, it is common and therefore obvious to write checks from long-term investment accounts for higher education funding, so the limitation would still not be patentable.
28. Fernandez-Holman also teaches at the citations given above claims 4-8, 11, 12, 14, 15, 25, 27, 29, 30, 32 and 34.
29. Fernandez-Holman also teaches claim 16 inherently because "said rebate" is interpreted as being net of the registration organization's expenses.
30. Fernandez-Holman also teaches claims 9 and 26 (col. 6 lines 14-19).
31. Claims 13 and 31 are rejected under 35 U.S.C. 103(a) as unpatentable over Fernandez-Holman (US005787404A). Fernandez-Holman does not teach purchases made on-line. Official notice of this common knowledge or well known in the art statement was taken in the Office action mailed on 15 December 2003 (para. 17 of paper No. 6). This statement is taken to be admitted prior art because applicant either failed to traverse the examiner's assertion of official notice or that the traverse was inadequate. (MPEP 2144.03.C.)

Conclusion

22. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Donald L Champagne whose telephone number is 571-272-6717. The examiner can normally be reached from 9:30 AM to 8 PM ET, Monday to Thursday. The

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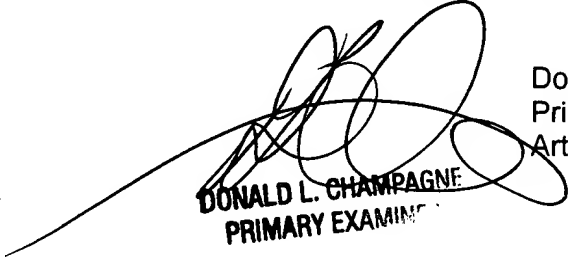
examiner can also be contacted by e-mail at donald.champagne@uspto.gov, and *informal* fax communications (i.e., communications not to be made of record) may be sent directly to the examiner at 571-273-6717.

23. The examiner's supervisor, Eric Stamber can be reached on 571-272-6724. The fax phone number for all *formal* fax communications is 571-273-8300.

24. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

25. **ABANDONMENT** – If examiner cannot by telephone verify applicant's intent to continue prosecution, the application is subject to abandonment six months after mailing of the last Office action. The agent, attorney or applicant point of contact is responsible for assuring that the Office has their telephone number. Agents and attorneys may verify their registration information including telephone number at the Office's web site, www.uspto.gov. At the top of the home page, click on Site Index. Then click on Agent & Attorney Roster in the alphabetic list, and search for your registration by your name or number.

17 January 2007


DONALD L. CHAMPAGNE
PRIMARY EXAMINER

Donald L. Champagne
Primary Examiner
Art Unit 3622